



Getting Ready for Tax Season

It's December 31st, just a few moments before midnight. Like millions of others in your time zone, you're caught in the festivity of the moment, counting down the seconds before the New Year rolls in.

As the countdown ends and you raise your glass to new beginnings, you're probably repressing the thought that a very different countdown has just begun – the 105-day marathon to Tax Day.

Time to stop repressing. As you may know from previous years, putting tax preparations off until the last minute is a really bad idea. Here are some tips on how to avoid undue stress and costly mistakes by getting started right now.

Make a plan – Decide whether you want to do your taxes yourself or to use a licensed tax consultant or certified public accountant (CPA). The more complex your financial situation, the more likely you are to want assistance. CPAs are experts in ever-changing tax law and can help you get all the deductions and tax benefits that you are entitled to.

If you decide to do your own taxes, consider using a commercial software package. They're designed to steer you through the entire process – including the organization and the math – and provide resources to help you if you get stuck.

Organize the paperwork – Get together all the information and documentation you need before you start preparing your return. Most of the records you need (such as those from employers, clients, banks and brokerage firms, refund statements from the Franchise Tax Board and social security benefit summaries) should arrive in the mail before the end of January.

In the meantime, gather and organize everything else you need, such as copies of rent checks and receipts for expenses. It's also a good idea to look over your previous years' returns, to refresh your memory about deductions as well as certain items that can be "carried over" into the current year.

Ask for help – If you're doing your own taxes, don't be afraid to ask the Government for help. You can get lots of free assistance with your tax return by visiting the IRS website (www.irs.gov). The site provides plenty of information, tips and tools as well as links to free tax preparation software and electronic filing.

Your EAP can also provide you with telephonic financial counseling, delivered by certified professional counselors.